

DRAFT DIRECTIVE TRANSMITTAL
WORKFORCE INVESTMENT ACT

Number: WIADD-68

Date: February 26, 2004

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: 15 AND 25 PERCENT PROJECT FUNDING DE-OBLIGATION

☒ **IMMEDIATE ACTION**

Bring this draft to the attention of the appropriate staff.

☒ **E-MAIL COPY TRANSMITTED**

Number of pages (including coversheet): 4

If there are any problems with this transmittal, please call Celia Guzman at 916/654-9767.

SUBJECT MATTER HIGHLIGHTS:

Based on the comments received, Draft Directive WIADD-62 has been split into two separate directives for more clarity. The two directives include this directive and Draft Directive WIADD-67, *15 and 25 Percent Project Continuation*. Also, due to interest expressed about Draft Directive WIADD-62, we are releasing these two modified directives in draft form for comment.

Please review and comment on the attached draft directive.

COMMENTS ARE DUE BY:

3/17/04

Comments can be submitted through one of the following ways:

- 1) **Web site** — www.edd.ca.gov/wiarep/wiainp.htm
- 2) **Fax** — WID, Attention: Celia Guzman at 916/654-9586
- 3) **E-Mail** — cguzman1@edd.ca.gov (Include "draft comments" in the subject line)
- 4) **Mail** — WID / P.O. Box 826880 / MIC 69 / Sacramento, CA 94280-0001

All comments received by the end of the comment period will be considered before the final directive is issued. However, we will not be able to individually respond to comments. **Comments received after the specified due date will not be considered.**

If you have any questions, contact your WID Regional Advisor at (916) 653-6347.

DRAFT DIRECTIVE

WORKFORCE INVESTMENT ACT

Number:

Date:

69:162:kab:8055

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: 15 AND 25 PERCENT PROJECT FUNDING DE-OBLIGATION

EXECUTIVE SUMMARY:

Purpose:

The purpose of this directive is to provide the criteria and requirements necessary to preclude funding de-obligation for Workforce Investment Act (WIA) 15 Percent and WIA 25 Percent projects.

Scope:

This directive applies to Local Workforce Investment Areas (LWIA) and other recipients of Governor's WIA 15 Percent Reserve funds and WIA Dislocated Worker 25 Percent funds.

Effective Date:

This directive is effective immediately.

REFERENCES:

- WIA Directive WIAD02-13, Subject: Dislocated Worker 25 Percent Fund Requirements (April 24, 2003)
- WIA Directive WIAD02-14, Subject: 15 Percent Project Requirements (April 24, 2003)
- WIA Information Bulletin WIAB02-23, Subject: 15 Percent Project Requirements (September 26, 2002)
- WIA Draft Directive WIADD-67, Subject: 15 and 25 Percent Project Continuation (February 26, 2004)

STATE-IMPOSED REQUIREMENTS:

This directive contains only State-imposed requirements.

FILING INSTRUCTIONS:

Retain this directive until further notice.

BACKGROUND:

The Workforce Development Branch's (WDB) experience with WIA 15 Percent and WIA 25 Percent grants has indicated that some projects do not make ongoing and timely use of awarded funds and/or lag in serving participants. Consequently, the State is hereby establishing criteria that will guide State action to ensure timely and effective use of available resources.

POLICY AND PROCEDURES:

Projects will be reviewed periodically to determine whether they are achieving their goals and are making timely use of awarded funds. In the event a program or project funded with 15 Percent or 25 Percent resources is lagging either programmatically or fiscally, the State may exercise the option to unilaterally recapture excess funds. The subgrantee will be notified of such an action.

The WIA 15 Percent and WIA 25 Percent data will be downloaded from the Job Training Automation (JTA) system on a quarterly basis by the WDB. The WDB will review expenditures for all projects/subgrants. Those projects that are out of range of meeting the planned expenditures may possibly be reduced in funding or be terminated. The WDB will use a 20 percent variance (planned expenditures vs. actual expenditures) taking into consideration the following parameters:

1. How long has the recipient actually had the funding?
2. Is the WIA funding part of a collaborative effort between a number of areas and/or joined with other fund sources?
3. Did unforeseen barriers cause expenditures to be low?
4. Is this a project/subgrantee with a past performance history that reflects similar expenditure patterns on funds?

Projects not meeting 80 percent of planned participant goals based on latest JTA quarterly data are also subject to reduction or termination. The projects not meeting the requirements will be forwarded through the Workforce Investment Division (WID) Chief and the Assistant Deputy Director to the Branch Deputy Director, with supporting information, data, and a recommendation for reduction or termination. Any recommendation to reduce funds and/or to terminate a project will then be forwarded to the Employment Development Department Director, California Workforce Investment Board, and California Labor and Workforce Development Agency for a final decision.

These policies and procedures depend on initial implementation of accurate participant and expenditure plans and on maintenance of these plans on an ongoing basis.

Mere submission of revised participant and/or expenditure plans will not constitute adequate corrective action. However, if revised plan(s) are supported by corrective action plan(s) that appear to be potentially successful, the WDB staff analysis will take them into account in deciding whether funds should be (or should not be) de-obligated.

Contracts and subgrants will not be processed for “time only” extensions unless strong supporting justification is provided. Extensions for “time only” requests of WIA funds will be submitted with justification for approval to the WID Chief.

All subgrantees must have a State-approved plan in place to continue their projects. They must work with their assigned Regional Advisor or Program Manager to develop and receive approval of an initial plan or to make changes to an existing plan.

Modifications to originally approved projects will only be approved based on strong justification and supporting documentation. Again, the WID Chief will make the decision based on a recommendation from the program staff.

ACTION:

Please bring this to the attention of appropriate staff.

INQUIRIES:

Please direct any questions about this directive to your assigned Program Manager at (916) 654-7799 or [Regional Advisor](#) at (916) 653-6347.

BOB HERMSMEIER
Chief
Workforce Investment Division